

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE		PAGE OF PAGES 1 2	
2. AMENDMENT/MODIFICATION NO. M201		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
5. PROJECT NO. (If applicable)		6. ISSUED BY Golden Field Office U.S. Department of Energy 1617 Cole Boulevard Golden, CO 80401		7. ADMINISTERED BY (if other than item 6) Golden Field Office U.S. Department of Energy 1617 Cole Boulevard Golden, CO 80401	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Midwest Research Institute 425 Volker Boulevard Kansas City, MO 64110		<input type="checkbox"/> 9A. AMENDMENT OF SOLICITATION NO.		<input type="checkbox"/> 9B. DATED (SEE ITEM 11)	
		<input checked="" type="checkbox"/> 10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC36-99G010337		<input checked="" type="checkbox"/> 10B. DATED (SEE ITEM 13) 11/09/1998	
CODE		FACILITY CODE			

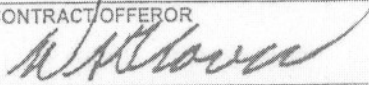
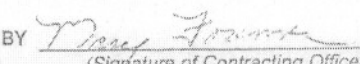
11. THIS ITEM APPLIES TO AMENDMENTS OF SOLICITATIONS

- ☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:
- (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.
- 12. ACCOUNTING AND APPROPRIATION DATA (If required)**

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

- ☐ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority)
- ☐ THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.
- ☐ B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
- ☐ C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
- ☒ D. OTHER (Specify type of modification and authority)
These administrative changes are made in accordance with, H-19 "Application of DOE Contractor Requirements Documents" and 970.5204-2, "Laws, Regulations, and DOE Directives (DEC 2000)" of this contract.
- E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return two copies to the issuing office.
- 14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**
See Page 2 and Appendix A Attached.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) W.S. Glover Deputy Director and Chief Operating Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Mary Foreman Contracting Officer	
15B. CONTRACT OFFEROR BY  (Signature of person authorized to sign)	15C. DATE SIGNED 9/14/07	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 9/17/07

This Modification incorporates the following significant change to contract DE-AC36-99GO10337:

1. Part III, Section J – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS, Attachment 7, PERSONEL (Appendix A) is deleted in its entirety and replaced with the Attached: **Part III Section J – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS, Attachment 7, PERSONNEL (Appendix A)**

Part III

SECTION J – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

ATTACHMENT 7

PERSONNEL (APPENDIX A)

The provisions of this Appendix are applicable only to work under Contract DE-AC36-99GO10337 and costs incurred in accordance herewith shall be allowable costs.

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Section 1. Introduction

This Appendix sets forth those Contractor human resource management policies and related expenses that have cost implications under the Contract. Only those items of personnel cost and related expenses as set forth in this Appendix and incorporated by reference are allowable costs under this Contract.

The Contractor shall select, employ, manage, and direct the work force, and apply the policies set forth in general conformance with the methods used in the Contractor's private operations, insofar as those methods are consistent with this Contract. The Contractor shall use effective management review procedures and internal controls to assure that allowable costs are not exceeded, and that areas requiring prior approval of the Department of Energy (DOE) Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request that this Appendix be revised, and the parties hereto agree to give consideration in good faith to any such request. Revisions to this Appendix shall be accomplished by executing a contract modification as approved by the DOE Contracting Officer. When revisions to this Appendix are agreed upon, revised pages will be issued reflecting such changes and the effective date of such changes.

The Appendix is adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. Accordingly, neither this Appendix nor any part thereof, as amended or modified, will be deemed to constitute a Contract between a party hereto and any employee of the Contractor or Major Subcontractor or to be consideration for, or an inducement or condition of, the employment of any person or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the Contractor or other third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix to the Contracting Officer or designated representative. The Contractor and the Department of Energy recognize that other data requests may be made from time to time, and the parties agree to cooperate in meeting such requests.

Section 2. Definitions

For clarity and consistency of meaning and intent, the following terms are defined for use in this Appendix:

Adjustment Increase. Any change in the base rate of pay other than an increase for merit, reclassification, or promotion.

Base Rate. The hourly rate or salary paid for a job performed. Does not include shift differentials, benefits, overtime, incentive premiums, or any pay element other than the base rate.

Battelle Seconded Employee. An individual assigned by a member of the prime contract management team from Battelle to work at NREL while retaining their employment status at his or her home organization.

Contractor. Midwest Research Institute.

Contracting Officer. The designated DOE Official who is authorized to obligate the Government.

Contracting Officer Approval. Is defined as approval in writing.

Exempt Employee. An employee of the Contractor employed in a bona fide executive, administrative, or professional capacity who is determined to be exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

Extended Sick Leave (ESL). Leave used for personal non-occupational illnesses and injuries requiring a physician certification (i.e., fourth consecutive workday missed, first day for chronic health condition, or surgery (outpatient or inpatient)).

Key Personnel. Laboratory Director and Associate Directors as defined in Attachment 1, Key Personnel.

Laboratory. The National Renewable Energy Laboratory.

Month of Layoff. The month in which an employee's last day of work occurs due to a reduction in force (RIF).

Nonexempt Employee. An employee of the Contractor who is determined to be covered by the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

Overtime Pay. Payment, in addition to straight time, for any hour worked in excess of 40 hours within a payroll week for nonexempt employees, or where applicable, any hours

in excess of 40 hours within a payroll week for eligible exempt salaried employees on an approved extended work week schedule.

Personal Time Off (PTO). Leave used for vacation, first three days of personal non-occupational illnesses, family illnesses, or other personal reasons.

Regular Employee. An employee hired by the Contractor to work either full- or part-time on an established work week or nonstandard work week.

Service. Employment duration for the Contractor from date of hire. Unpaid leaves of absence will not be credited if there has been a break in service of over 3 years.

Straight Time Rate. An individual's base rate plus any applicable shift differential.

Temporary Employee. An employee hired by the Contractor either full- or part-time on an established work week or nonstandard work week for a limited period of time.

Termination. Cessation of employment due to resignation, discharge, layoff, reduction in force, retirement, death or removal from payroll because of disability.

Work Week. The regular work week shall be 40 hours. Alternative work weeks may be established with approval of the Contracting Officer.

Section 3. Pay Policies

1. General Provisions

The Laboratory Compensation Program must be approved by the Contracting Officer. Proposed Compensation Program design changes that affect costs also will be submitted for review and approval by the Contracting Officer. This does not include Battelle seconded employees. MRI has the responsibility to monitor and approve salaries related to Battelle seconded employees.

2. Administration

- a. The administration of wages and salaries of exempt and nonexempt employees shall be carried out in accordance with sound wage and salary administration principles and in a manner that provides for equitable treatment of personnel on a definitive, systematic basis consistent with economic business practices and judicious expenditure of public funds, and that results in payment of total compensation to individual employees conforming to the standards of reasonableness as contemplated by Federal Acquisition Regulations (FAR) Subpart 31.205-6.
- b. The objectives of the Laboratory Compensation Program are to provide compensation for each employee that will reflect the worth of the position to the Laboratory and to relate compensation increases to an individual's performance.
- c. Within the limits of fiscal resources available annually, every effort shall be made to maintain employee compensation at levels that will attract and retain a competent workforce and maintain a competitive posture in the marketplace. Compensation will be reviewed at least annually. Increases are based on proficient and effective performance and market position; however, increases are given at the discretion of management and are not assured.
- d. Salary bands with minimum and maximum salary amounts have been established for groups of jobs broadly defined as having competitive value in the labor market and comparable value in the Laboratory. Salary surveys are used to confirm the appropriate placement of jobs in the bands. A job evaluation system is used to place jobs in the appropriate bands. Changes in the salary structure require prior Contracting Officer approval.
- e. These salary bands, supported by salary survey information and administrative direction from the Human Resources Office are used to guide managers in making compensation recommendations. Although other factors may be considered, *performance* is the principal consideration for recommending an increase in

compensation for an employee. The Contractor shall maintain an appropriate employee performance appraisal system that is integrated with compensation administration policy.

3. Job Classifications, Salary Bands, and Salary Ranges

- a. All Laboratory positions, with the exception of the Director, and Associate Directors, shall be described and placed in generic job classifications using salary survey data or the job evaluation system.
- b. New, changed, or altered compensation bands or job classifications require prior Contracting Officer approval. Submission of such changes for approval shall contain the proposed effective date of new or deleted classifications and the reasons for these proposed changes. The Contracting Officer shall be provided with copies of all job classifications being used.
- c. The Contractor will review the salary structure annually for the proper placement of jobs in salary bands to ensure consistency in the application of salary survey data and the job evaluation system, and to propose appropriate modifications when needed.

4. Performance Evaluation System

The Contractor will maintain a performance evaluation system to appraise each employee on an annual basis in writing.

5. Compensation Increase Plan

- a. Prior to each salary program year, the Contractor will develop and justify, in a manner prescribed by the Contracting Officer, a Compensation Increase Plan (CIP) for exempt employees and nonexempt employees for review and approval. The funds are calculated as a percentage of exempt and nonexempt base payroll at the end of the prior salary year, expressed as an annualized amount, and shall be the maximum amount allowed for granting increases for employees based on merit, promotions, and adjustments. The CIP will be calculated using the base salaries of regular full-time and part-time employees on the date of the fund calculation. This fund will be based upon such factors as national and local surveys, area rates, and such other criteria as may be pertinent to the establishment of competitive salaries. All such increases will be charged to the fund on an annualized basis. Once an individual's compensation increase is charged to the fund, reuse of that amount (i.e., recovery) for any further personal compensation during the compensation year will be unallowable. If an individual terminates before receiving an increase, the amount of money allocated for that individual may remain in the fund. Each component of the fund (i.e., merit, promotion, and adjustments) shall be broken out as subtotals. Although the

Contractor must justify merit, promotion, and adjustment funds separately, once approved, the Contractor may expend the total fund approved for each employee group as needed to support direct pay needs of that group.

- b. The Contractor also shall provide, for Contracting Officer approval, a copy of the annually developed salary increase guidelines prepared for supervisory use, indicating the parameters for granting various increases based on employee performance and current salary.
- c. The dollar amount of the fund will be subject to review and adjustment by the Contracting Officer at any time during the contract year based on major changes that affect contract funding or Contractor payroll, such as a reduction in force.

6. Compensation Procedures and Guidelines

- a. Prior to any official compensation offer, the proposed compensation should be reviewed to ensure that it meets the guidelines of this Appendix, is internally equitable, and competitive with the external market.

No employee shall be paid more than the band maximum for the position without approval of the Laboratory Director and the Contracting Officer.

- b. Compensation ranges will be established for all pay groups based upon external and internal considerations. These will be reviewed annually and adjusted as necessary (when approved by Contracting Officer) to reflect changed economic conditions in the appropriate labor markets. Survey data shall be obtained at least biannually and be sufficiently comprehensive to permit valid comparisons to compensation paid by organizations competing with the Laboratory for labor.
- c. To assure that individual increases are reasonable, compensation increase decisions shall give appropriate consideration to employee performance levels, internal equity, compensation range position, and labor market comparisons. The amount and timing of prior increases will also be considered, with prorating of increases when appropriate.
 - (1) A merit increase is an increase in compensation for performance in the position held at the end of the performance period for which such increase is awarded.

The salaries of new regular employees will be reviewed on the annual compensation increase effective date immediately following their hire date. An employee with less than one year of service may be eligible to receive a pro-rated increase on the annual compensation increase effective date.

The annual effective date of the merit increase shall be the first pay period beginning on or after January 1.

- (2) A promotion increase will be granted upon assignment to a position with significantly increased duties and responsibilities and/or higher market rate. A promotion normally involves movement to a higher salary band; however, movement to a job in a different job family in the same band also may be considered a promotion.
- (3) An adjustment increase is defined as any change in the base rate, other than an increase for merit or promotion, to correct for compensation inequity or for career growth in a salary band.

7. Approval of Individual Compensation Actions

- a. Individual compensation actions for the following positions or types of actions will require the prior written approval of the Contracting Officer:

- (1) Laboratory Director
- (2) Associate Director(s); and
- (3) Office Directors, Center Directors and Senior Research Fellows.

For the purpose of this section, compensation is defined as base salary plus any DOE reimbursable deferred compensation or cash compensation not included in base pay, if applicable.

- b. The Contractor will review subcontractor compensation actions for Battelle seconded positions to ensure conformance with applicable laws, regulations, and policies.
- c. The Contracting Officer shall approve in advance individual salary actions involving: 1) any new hire or transfer to the Contract resulting in allowable annual compensation where the employee will occupy one of the positions described in 7.a. above; 2) any increase resulting in a base salary of 20 percent or more above the approved market reference value from the Compensation Increase Proposal for the year in which the salary action is effective; or 3) single increases of \$7,500 or more which exceed 15 percent of the employee's salary, or any combination of increases of \$7,500 or more in a compensation plan year for any individual that together exceed 20 percent of the employee's salary, unless such increase in part of a separate, special adjustment package (involving a group of individuals) which was submitted and approved by DOE or is necessary to bring the salary of an employee to the minimum salary level for the band or to 80 percent of the market value of the position. Special adjustment packages will be discussed with DOE prior to implementation.

Justification documentation shall include information in support of mission goals, Departmental business lines, relative size of budget and number of employees supervised, educational/experience data supporting the proposed salary and selection, and both internal and external market comparative data.

No commitments shall be made to employees regarding compensation actions covered by this section 7, Approval of Individual Compensation Actions, until Contracting Officer approval has been obtained.

- d. All compensation increase memoranda requesting changes in salaries, job titles, or salary bands shall be approved by appropriate levels of management consistent with the Contractor's established procedures. Those actions requiring Contracting Officer approval shall have the prior approval of the Laboratory Director. The Director's compensation shall be approved by the President of Midwest Research Institute before submission for DOE approval.

Salaries requiring DOE Contracting Officer prior approval will be submitted to DOE in sufficient time to be implemented before the proposed effective date, except under extraordinary circumstances endorsed by the Director.

The Contractor will provide the Contracting Officer with wage and compensation reports, as requested.

8. Incentive Compensation

Management and staff incentive compensation as well as performance awards that may be proposed by the Contractor and approved by the Contracting Officer during the period of this Contract or previously approved variable pay plans such as the NREL Signing Bonus Plan and the NREL Employee Retention Plan, will be allowable costs. Such bonuses will not exceed DOE approved levels as stated in the approved plan, without the approval of the Contracting Officer.

9. Premium Pay

a. Overtime

- (1) The use of overtime as a method of accomplishing regularly assigned duties is discouraged, and the Laboratory will preplan and notify employees of any required overtime as far in advance as possible. No nonexempt employee may work more than 40 hours in any one week without the advance approval, either verbally or in writing, of the appropriate management level.
- (2) The Laboratory will maintain internal controls to assure that overtime hours (other than those resulting from regularly scheduled extended work weeks for around-the-clock operation) do not become excessive.
- (3) Payment of overtime premiums for work in the following categories will be an allowable cost to the extent that the amount is reasonable and properly allocable to work under the Contract. The work must be:
 - (a) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, or breakdowns of equipment; or

- (b) By indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby Laboratory protection, operation or utilities or accounting; or
- (c) Associated with the performance of tests, industrial processes, laboratory procedures; loading or unloading of transportation media, operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
- (d) Work that results in lower cost to the Government.

Overtime reports shall be submitted in accordance with the current applicable Contract requirements.

- (4) Any authorized absence that occurs within the basic work week and that is compensable under this Contract, such as Personal Time Off (PTO), Extended Sick Leave (ESL), or holiday leave, shall be considered as constituting part of the basic or extended work week for the purposes of determining the number of overtime hours.

(a) Exempt Employees

Employees who are exempt from the provisions of the Fair Labor Standards Act will be paid a basic compensation commensurate with their job duties and responsibilities. The individual's compensation shall not be related to the actual hours worked, but rather to the job requirements, which are expected to be fulfilled regardless of time requirements of the job. However, in the event that extended work situations may develop requiring the Laboratory to schedule overtime for exempt personnel, the Director or his/her designee may approve additional special compensation or time off work.

(b) Nonexempt Employees

Employees who are not exempt from the provisions of the Fair Labor Standards Act will be paid at the rate of one and one-half times their straight-time hourly equivalent rate for all hours worked in excess of 40 in any one work week. In addition to hours actually worked, the following hours shall be considered as hours worked for the purpose of calculating overtime pay:

Hours allowed for a holiday, which is observed during a scheduled work week:

PTO and such other absences as are specifically provided in this Appendix as being considered as hours of work for the purpose of calculating overtime pay;

Time spent traveling on official business, and as specified below;

Hours in which work is actually performed; or

Other hours for which the Contractor is required by law to pay compensation.

b. Shift Differentials

(1) Shifts and Hours of Work

The Laboratory workday will be separated into three eight-hour shifts, which are defined below. A shift includes all work performed by an employee, at least three-fourths of whose regularly scheduled working hours are as specified below:

- (a) First Shift = 8:00 a.m. to 5:00 p.m. with a minimum 30-minute meal break.
- (b) Second Shift = 4:00 p.m. to 12:30 a.m. with a minimum 30-minute meal break.
- (c) Third Shift = 12:00 a.m. to 8:30 a.m. with a minimum 30-minute meal break.

(2) Compensation

- (a) Shift differential pay shall be established for employees working second and third shifts at an hourly premium added to the employee's standard hourly pay. Third shift pay is at a higher premium than second shift pay. The premium rates are to be evaluated and approved as part of the annual Compensation Increase Plan.
- (b) The shift premium will not be paid to a regular first-shift employee who starts work before the employee's normal starting time and works into the employee's regular quitting time.
- (c) All PTO, ESL, or other compensation will be paid exclusive of shift differential pay.
- (d) Shift differentials paid will be included for purposes of calculating overtime pay rates.
- (e) In the event that an exempt or nonexempt employee is required to work on a recognized holiday (or day observed as a holiday), the compensation will be in accordance with sections 1.c and 1.d, as described in Section 7. Paid Leave of this Appendix.

(3) Eligibility and Approval

- (a) Only employees who regularly work those shifts that result in added pay via shift differential, as described above, should be given this compensation. However, it is recognized that there are situations, such as during illnesses or approved absences, that will require scheduling other employees to occasionally work those shifts. In these instances, those employees will be entitled to receive applicable shift differential pay.
- (b) Shift differential pay shall be approved via signature(s) of the appropriate management level.
- (c) Lead Differential--For designated teams of three or more employees (when fully staffed) with responsibility for non-exempt level activities a lead may be identified in situations in which management level personnel are not available to oversee and guide activities on an ongoing basis, when the size of the team and the nature of the work performed does not justify creation of a supervisory position, or when a small group of employees is assigned to work in a remote location. Leads are identified to maintain accountability for completion and documentation of assigned duties. Responsibilities include prioritizing workloads, assigning resources, and (with proper training/certification) may be designated as leadership for first response to incidents, alarms, or emergency situations.

Eligibility--Lead differential is only available for non-exempt personnel in the following situations:

- Functions requiring 24-hour operations or operations during times that the laboratory is normally closed
- Activities in response to an emergency closure
- Situations in which teams of 3 or more non-exempt personnel are assigned to work independently on a routine basis.

Employees in positions that have been assigned a higher classification due to leadership responsibilities that are embedded in their position are not eligible to receive lead differential for performance of their regular duties. Managers must document the responsibilities of and the need for a designated lead and submit documentation to HRO and senior management for review and approval prior to instituting a lead differential.

- Lead differential pay is only applicable to hours worked and overtime hours paid for any week in which the differential is paid. Lead differential will not be paid for holidays, PTO, and other time away from work or for time spent in training activities.

d. Call-In Pay

Under special circumstances for facilities and equipment malfunction, e.g., power outages, security and safety systems failure, the Laboratory may need to place

certain qualified nonexempt employees on call after working hours, weekends, and holidays to be available to report to work.

(1) Compensation

- (a) Nonexempt employees who are designated for on-call/call-back status will be compensated under the overtime provisions described above in this section for all hours worked outside their regularly scheduled 8-hour shift.
- (b) Call-back time shall be compensable for hours actually worked and transportation time with a two-hour minimum payment.
- (c) Nonexempt employees who are regularly scheduled to provide on-call/call-back service for one full week (7 days) will receive premium pay of five hours straight time pay for each full week served on-call in addition to overtime provisions stated above. Unless justified, employees on-call who are not available when called will forfeit this premium pay.
- (d) Exempt employees who are placed on call-back status will not be eligible for the compensation provisions of this section.

(2) Approvals

On-call/call-back services and assignments of employees to on-call/call-back status shall be approved by appropriate levels of management.

e. Emergency Closures

During such time that NREL management and the DOE Golden Field Office manager determine that it is necessary to close the Laboratory due to an emergency situation, special pay provisions for nonexempt employees responsible for providing critical services may be negotiated with and approved by the Contracting Officer. NREL management recognizes that there are exceptional circumstances under which special pay provisions for nonexempt employees are appropriate given the nature of the emergency Laboratory closure and the specific challenges relating to the difficulty and importance of resuming normal Laboratory operations.

- (1) For the purpose of this policy, critical services are defined as those related to maintaining the safety and security of Laboratory personnel, facilities, or property and preparing the Laboratory for safe operations when it reopens for business. These functions will be identified by the Laboratory Director as appropriate based on the nature of the emergency.
- (2) Only personnel who have been contacted by management and instructed to remain on site during an emergency closure (or to report for duty if the Laboratory closed at the start of the work day) will be eligible for special pay.

10. Separation Pay

a. Voluntary Separation

Employees who voluntarily terminate their employment at the Laboratory will be expected to give advance notice. The Contractor may prefer in some cases to have the employee cease active employment prior to his/her notice date. This decision may be accomplished either by:

- (1) Making a lump sum payment covering the notice period remaining at the time the employee leaves, not to exceed 10 working days for a nonexempt employee or 20 working days for an exempt employee; or
- (2) Placing the employee on leave of absence with pay through the remaining period.

In either event, the effective date of separation will be the date on which the notice period expires; and PTO and pension credits will accrue during the interim. Life insurance and medical benefits will also continue during this notice period, and any required contributions will be deducted from the employee's pay.

b. Involuntary Separation

Involuntary separations may occur in situations where acceptable performance is not achieved after adequate counseling has been provided and measurable results have not occurred. Other incidents of unacceptable behavior also may result in involuntary termination of employment.

In either case, any consideration of notice in lieu of immediate dismissal will be evaluated on a case-by-case basis. Severance pay will not be made when an employee is terminated for cause.

c. Reduction-in-Force (RIF)

- (1) An employee's services may be terminated as a result of changes in program, a decrease in work or related funding, reorganizations, and when Laboratory operations no longer require the skills or services that an employee can provide.

An employee being terminated through a RIF will be eligible for the following separation allowance:

Less than one year of service with Laboratory*	[EX 4]
*Laboratory employees with less than one year of service who were relocated are eligible for four week's pay.	

One through four years of service with Laboratory	
More than four years service with Laboratory	REDACTED EXEMPTION 4

No employee who: 1) accepts transfer to another facility, subsidiary, or affiliate of the Contractor; 2) is offered employment at comparable pay and benefits by a successor contractor; 3) resigns; or 4) is discharged for cause, will be eligible for severance pay.

An employee who has been accepted for a voluntary RIF or who is impacted by a RIF and who is eligible for and elects retirement will not be denied severance pay. In the event DOE approves a special one-time incentive for early retirement in connection with a work force reduction, the eligibility window for the special incentive will be closed before any voluntary or involuntary RIF designations are made. Employees electing a retirement incentive are not eligible for severance pay.

- (2) Extended benefits coverage will be made available to affected employees. Employees currently enrolled in the insurance programs will be able to continue their coverage for specified periods at the existing premium rates. The employee's premium contribution will be deducted from the final paycheck. These benefits will be as follows:

- Ex. 4*
- (a) Medical/Dental Insurance will continue for *Ex. 4* days following the end of the month of layoff or until eligible for group coverage with a new employer, whichever occurs first.
- Ex. 4* (b) Life and Accidental Death and Dismemberment Insurance will continue for *Ex. 4* days following the end of the month of layoff or until eligible for group coverage with a new employer, whichever occurs first.
- (c) Commitments on approved tuition reimbursement courses made to employees enrolled prior to a termination notification date will be fulfilled for that current quarter or semester.
- (d) All other benefits cease on the date of layoff and statutory benefit coverage provisions are to be implemented as required by applicable laws.

- (3) Payments may be made only upon involuntary separation by RIF of an employee which results in a permanent separation from the employment at the Laboratory. However, payments may also be made upon voluntary separation of an employee within a RIF grouping which thereby eliminates the need for separating another employee involuntarily. Should an employee be rehired in the period covered by the separation pay, the employee will be responsible for refunding the remaining balance of severance pay.

- (4) A specific employee assistance plan will be developed and implemented by the Human Resources Office for each RIF involving more than 10 employees within a 30-day period. Each plan will take into account the scope, as well as other significant aspects of the reduction-in-force, and will be reviewed by the Director and subject to Contracting Officer approval.
- (5) Outplacement services may be offered on a case-by-case basis up to an amount not to exceed Ex. 4 per employee, and services beyond that amount will require Contracting Officer approval.

11. Research Participant Program Workers

Personnel of research and educational institutions and other persons participating in programs described in Section 9. Training and Education, section 4. Research Participant Program may be accorded temporary status at the Laboratory. A temporary professional staff appointment is for those individuals with exceptional professional qualifications and will not normally extend beyond 36 months in duration without the approval of the appropriate Associate Director.

Section 4. Labor Relations

The Contractor will respect the right of employees to organize, form, join, or assist labor organizations; to bargain collectively through representatives of the employee's own choosing; and to engage in other concerted activities for the purpose of collective bargaining, and also the right to refrain from such activities.

If any segment of the Contractor's workforce becomes certified for representation by a labor organization, the Contractor will meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to any negotiation concerning any collective bargaining agreement or revision.

Subsequent to negotiations of a collective bargaining agreement, the Contractor will promptly advise the Contracting Officer of labor relations developments involving the Contractor or any subcontractor on a government-owned or operated site that appears likely to lead to a work stoppage or appears to involve: the National Labor Relations Board at any level; recourse to procedures under the Labor Management Relations Act of 1947, as amended; the Higher Education Employee Relations Act; any Federal or State labor law; or any grievance that reasonably may be expected to be referred to arbitration under a collective bargaining agreement.

Section 5. Employee Welfare Benefit Programs

1. General

The Contractor will be reimbursed for all costs incurred in implementing, administering, and funding comprehensive Group Insurance Plans. The Contractor's programs shall meet the tests of allowability and reasonableness established by applicable FAR, DOE Acquisition Regulations, and requirements set forth in the prime contract. The features of these Group Insurance Plans are set forth in policies and insurance plan description booklets. Administrative costs associated with the effective administration of the Plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits. Dividends, return premiums, or other allowances and credits that accrue under each policy shall be credited to the Contract and applied to future insurance costs under each policy. The Contractor will obtain approval from the Contracting Officer prior to adding to or making a change in benefits under these Plans. Any changes in benefits and/or their associated costs require Contracting Officer approval.

Any significant revisions to employee benefit plans that affect cost, level of benefits, or are precedent-setting in nature, require the Contracting Officer's approval. The Laboratory will provide experience reports, and any other reports, as requested, by the Contracting Officer on a calendar year basis.

2. Group Insurance Plan

- a. The Contractor will offer a cafeteria benefits program described in Section 125 of the Internal Revenue Code that allows for a variety of pre-tax benefits as well as choice of a variety of benefits to employees. The plan will be for all full-time and part-time (those working at least 20 hours per week on a regularly scheduled basis) employees and full-time and part-time employees with assignments for one year or more. The terms and conditions of Plans are controlled by the provisions of the group insurance policies issued to either the Laboratory or the Contractor by the Insurance Carrier, as are currently in effect and as may be amended from time to time by the Contractor, including amendments, if any, to change of method of funding. Funding method changes will be approved by the Contracting Officer for application to this Contract.

- b. The Contractor will require cost sharing by the employee for the employee premium of at least ^{Ex. 4} ☐ percent and dependent premiums of at least ^{Ex. 4} ☐ percent for Medical and Dental Insurance Plans. Part-time employees working 20 to 29 hours will receive ☐ percent of the Contractor-provided premium share. Contracting Officer approval will be required only if the Laboratory premium share increases. Deductible, co-payment, and coinsurance amounts are described in Summary Plan Descriptions.

- c. The Contractor will pay for EX. 4 percent of employee premiums for the Group Life Insurance Plan. Coverage is equal to EX. 4 times the employee's annual compensation with a maximum coverage of EX. 4. Employees will have an equivalent amount of accidental death and dismemberment insurance with a maximum of EX. 4. The Contractor will pay the entire cost. Optional additional coverage and dependent coverage will also be made available to the employee, for which the entire premium will be paid by the employee.
- d. Under the cafeteria benefits program, the Contractor may offer a variety of alternative benefits, of which the entire premium will be paid by the employee. The Contractor will provide a summary on an annual basis of other benefit programs being offered.

3. Disability Leave and Return to Work

- a. For periods of disability extending beyond 10 working days or 14 calendar days, the Laboratory reserves the right to require a physician's written statement confirming that an employee is unable to return to work for a specified period of time.
- b. When the disability period certified by the physician has expired and unless the employee has informed the Laboratory that he/she does not intend to return to work (thus resulting in termination of employment), the employee must return to work within 5 working days from the return date specified by the physician. If the employee fails to return to work within this period of time, he/she shall be deemed to have voluntarily resigned.
- c. The Laboratory will reserve the right to request and/or require another or second physician's written statement, at the Laboratory's expense, for those disabilities extending beyond 10 working days or 14 calendar days.

4. Long-Term Disability

The Contractor will provide a Long-Term Disability Insurance Plan to all regular full-time and regular part-time (those working at least 20 hours per week on a regularly scheduled basis) employees. It covers a disability for an accident or illness incurred either on or off the job which lasts over 90 calendar days. The monthly benefit is equal to EX. 4 percent of the employee's compensation. The maximum insured compensation is EX. 4 per month with a maximum benefit of EX. 4 per month. Payments will continue as long as the employee is disabled, and if permanently disabled, until age 65. The Contractor will pay for EX. 4 percent of the employee's premium. Optional supplemental coverage will be made available to the employee, for which the entire premium will be paid by the employee. EX. 4

Premium rates are subject to change based upon the Insurance Carrier's experience, and such changes will not be subject to Contracting Officer approval unless the portion paid by the Contractor is the result of increased insurance coverage or percentage of contribution.

5. Workers' Compensation

- a. The Contractor will carry Workers' Compensation Insurance, which covers expenses resulting from on-the-job injuries and occupational illnesses, as well as an allowance for lost time. Compensation or allowances for medical expenses, time lost, and/or disability will be made in accordance with the applicable State Compensation Law. The Contractor is required to report certain incidents to DOE via the Computerized Accident and Incident Reporting System (CAIRS) that are also reportable under Workers' Compensation requirements.
- b. Reimbursement for Time Lost. An employee who suffers a job-related accident or illness will receive full compensation reduced by Workers' Compensation pay from the Contractor for time lost up to and including 90 days. Any allowances or awards paid by Workers' Compensation Insurance for time lost and for which compensation is paid during all or any part of such 90-day period will be retained by the Contractor. Any Workers' Compensation Insurance allowance or award for disability *beyond* the 90-day period will be paid directly to the employee by the insurance carrier.
- c. Reimbursement for Medical Expenses. Medical expenses will be reimbursed in accordance with applicable State Compensation Law for reimbursement of medical expenses, including drugs, treatments, doctor visits, and hospital expenses incurred due to a job-related accident or illness.
- d. The Contractor will be required to:
 - (1) Submit an annual report to the Contracting Officer on all Workers' Compensation claims reserved at \$25,000 and above.
 - (2) Conduct a quarterly review of all new and open claims, including trend analysis. Participation in the quarterly review will be open to the Contracting Officer or designated DOE representative.
- e. All settlement claims of \$100,000 or more must receive Contracting Officer approval.

6. Premium Only Salary Reduction Plan

The Contractor will maintain a pre-tax premium only plan described in Section 106 and Section 125 of the Internal Revenue Code, whereby all eligible employees may elect to have the Contractor pay for the employee's premium contribution made to the Medical and Dental Insurance Plans as required for the employee only or dependent coverage on a pre-tax basis. Under Section 125, the Contractor will not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of premium only employee elections shall conform to Section 106 and Section 125 regulations.

7. Flexible Spending Account Plan

Setup, administrative, and communication costs for this Plan will be reimbursable under the Contract.

a. Health Care Reimbursement Account

The Contractor will maintain a pre-tax reimbursement account described in Section 125 of the Internal Revenue Code whereby all eligible employees will be permitted to make a designation of reduction in compensation for amounts not to exceed [Ex. 4] per Plan year for reimbursement of the employees eligible health care expenses not covered by the Contractor's Group Medical Plan. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of health care employee elections shall conform to the Section 125 regulations.

b. Dependent Care Assistance Account

The Contractor will maintain a pre-tax reimbursement account described in Section 125 and Section 129 of the Internal Revenue Code, whereby all eligible employees are permitted to make designations of reduction in compensation for amounts not to exceed [Ex. 4] per Plan year for reimbursement from the Dependent Care Assistance Account for reimbursement of their covered dependent care expenses. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employees. The administration of dependent care employee elections shall conform to the Section 125 and Section 129 regulations.

8. Business Travel Accident Insurance

The Contractor will provide business travel accident insurance for all employees required to travel outside their permanent place of employment. The Contractor will pay the entire carrier premium cost. The principal sum of travel accident insurance will be [Ex. 4]. The maximum amount payable for losses arising from any one accident will be [Ex. 4].

9. Group Medical Program Performance Measure

The Contractor will work diligently with its insurance carriers, medical benefit providers and employees to establish and maintain an aggressive cost containment program, with the objective of providing high quality, reasonably priced benefits. The Contractor agrees to seek innovations in its program design and implementation that will result in realizing the above objective throughout the life of this Contract, while also managing benefit costs so that the cost of each medical benefit program component to DOE is reasonable.

The Contractor will specifically identify program changes and cost initiatives on an ongoing basis and, from time to time, implement actions or, when necessary, propose actions to the Contracting Officer that will result in actual cost savings, or which will reduce the rate of cost increases in group medical benefit programs.

Annually, at the anniversary of its benefit program year, the Contractor will submit an analysis of the financial performance of its group medical benefit program(s). The analysis will describe initiatives taken to contain/manage costs; tell how the cost of the medical programs compared to the industry average cost during the previous year; tell how the percentage increase of its program costs compared to the U.S. industry average percentage increase for similar programs; and reports each cost as a percent of payroll. The Contractor and the Contracting Officer will discuss and reach agreement on the appropriate benchmarks each year as the basis for analyses and comparisons.

Section 6. Retirement Plans

1. Defined Benefit Plan

- a. The Contractor will maintain a separate pension plan for employees of the Laboratory which provides retirement, disability, and certain incidental death benefits substantially equal to those presently provided to eligible employees of the Contractor at its other operations. The separate pension plan for employees of the Laboratory is known as the Retirement Plan of the National Renewable Energy Laboratory (Retirement Plan). The Retirement Plan provides benefits to eligible employees for service rendered to the Laboratory on and after June 1, 1977.
- b. The Retirement Plan is funded by contributions to a separate trust. The Contractor, through the Laboratory, will make contributions (reimbursed by DOE as an allowable cost) to fund the retirement plan. Contributions shall not exceed the greater of:
 - (1) the minimum contribution required under ERISA; or
 - (2) the amount which is expected to fully fund the estimated current liability at the end of the plan year. The term "current liability" means such liability as defined in IRC Section 412.
- c. In the event of a contract termination, which involves a selection by DOE of a replacement Contractor, it is DOE's intent that the replacement Contractor take over the Retirement Plan to afford continuity to Laboratory employees for both past and future service and benefits. The Contractor will cooperate with DOE and such replacement Contractor to assist in such take over by the replacement Contractor in accordance with DOE Order 350.1, "Contractor Human Resource Management Programs, Chapter 6."
- d. If the Contractor retains, in its own service, employees who were participants in the Retirement Plan on the date of contract termination, an amount of assets attributed to Laboratory service shall be transferred from the Retirement Plan Trust to the Retirement and Pension Plan Trust of the Contractor. The amount to be transferred for each such participant shall be, subject to adjustments as described below, equal to the employee's Projected Benefit Obligation (PBO) as of the date of contract termination, as defined in FASB 87. The PBO for each such employee shall be determined by an actuary using actuarial assumptions specified in the NREL Plan as of the date of contract termination. However, if the product of the total plan assets and a fraction equal to the employees PBO divided by the total plan PBO produces an amount lower than the employee's PBO, then

such product shall be the amount transferred; except that in no event will the amount transferred for each such employee be less than the present value of benefits due on a termination basis as such present value is defined in Regulation 1.414(1)-1(b)(5) of the Internal Revenue Service. The amount of the fund transfer shall be subject to review and approval by the Contracting Officer.

- e. In the event of a contract termination which does not involve the selection by DOE of a replacement Contractor, termination of the Retirement Plan shall occur and a reconciliation of funding obligations will be accomplished according to the administrative and actuarial procedures and the actuarial assumptions of DOE Order 350.1. Specifically, if the Retirement Plan Trust assets are less than the Plan liabilities, DOE shall pay such differences to the Contractor or, at the Contractor's option, directly into the NREL Retirement Plan Trust. If the Retirement Plan Trust assets are greater than Plan liabilities, all excess funds which revert to the Contractor in accordance with the NREL Retirement Plan shall be paid by the Contractor to DOE promptly upon receipt. The excess funds to be paid shall include any interest earned or accrued through the date of actual disbursement subsequent to plan termination.
- f. The provisions of the preceding paragraph shall also apply if the Retirement Plan is terminated prior to the termination of this Contract.
- g. The terms of the Retirement Plan are set forth in a written plan document adopted by the Contractor's Board of Directors on September 22, 1982 as revised from time to time by Board of Director's approval. A "Summary Plan Description," which is a brief statement of the more important aspects of the Plan, is distributed by the Laboratory to all eligible participants. The "Summary Plan Description" is not meant to extend, restrict, or change the literal provisions of the Plan in any way.
- h. The Contractor shall submit, on an annual basis, an Actuarial Report containing a gain/loss analysis by source and Internal Revenue Forms 5500 and Schedules, as well as an Annual Accounting report of the type detailed in DOE Order 350.1 and/or any other information concerning the plan which may be required by the Contracting Officer.

2. Group Tax Deferred Annuity Plan

The Contractor will provide a Group Tax Deferred Annuity Plan for all employees who meet the eligibility requirements of attaining age 21 and completing one year of employment with 1,000 hours of service. The Contractor will make monthly contributions under this Plan towards the purchase of an annuity contract for each eligible participant at the rate of 4 percent of each participant's biweekly compensation.

EX-4

Section 7. Paid Leave

1. Holiday Pay

a. General

Full-time employees will be granted eight (8) hours of time off with pay at the base rate for each of the following holidays:

(1) Fixed Holidays

New Year's Day	Labor Day
Presidents' Day	Thanksgiving Day
Memorial Day	Friday following Thanksgiving
Independence Day	Christmas Day

- (2) Sixteen (16) hours (two 8-hour days) for "floating holidays" each year selected by the employee. If an important national or regional event occurs and is generally observed as a holiday by government and private industry, the Contactor may request the Contracting Officer's approval for observance of such holiday. Floating holiday hours are not carried over to the next calendar year.

If an employee is hired after July 1, the employee will be eligible for only eight (8) of the sixteen (16) floating holiday hours.

b. Holidays Falling on Saturday and Sunday

Holidays falling on Saturday will be observed on the Friday preceding the holiday. Holidays falling on Sunday will be observed on the following Monday.

c. Exempt Employees

- (1) An exempt employee who is required to work on a recognized holiday or on a day observed as a holiday will be allowed to take the holiday on another day. Time off will be scheduled and approved in accordance with sections 9.a.(4)(a) of Section 3. Pay Policies of this Appendix.

d. Nonexempt Employees

A nonexempt employee who is required to work on a recognized holiday or on a day observed as a holiday shall receive the compensation to which they are regularly entitled. In addition, they will receive premium pay for all hours worked on the holiday or the day observed as a holiday. Such premium pay shall be calculated by multiplying one and one-half times the employee's straight-time hourly equivalent by the number of hours worked.